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I N T H I S I S S U E

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LATE FOREIGN DEVELOPMENTS

ARGENTINA: The fourth estimate of area sown to grains in 1942 shows a slight increase as compared with the third estimate, but is still much below the 1941 sown area. The new estimates of acreage, with final estimates for 1941 in parentheses are: Wheat, 16,432,000 (18,038,000); oats, 3,548,000 (3,519,000); barley, 1,878,000 (1,972,000); rye, 2,481,000 (2,661,000); flaxseed, 6,128,000 (6,746,000).

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CANADA (ONTARIO): Soybean production for 1942 placed at 1,253,400 bushels from 41,490 acres, compared with 216,900 bushels from 10,900 acres in 1941.

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EGYPT: Acreage restrictions placed on the 1942 cotton crop (see Foreign Crops and Markets, February 16, 1942) were made effective for the 1943 crop by a law published on September 24, 1942.

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RUMANIA: 1942 cotton crop estimated at 23,000 bales (of 478 pounds) as against 15,700 in 1941.

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DENMARK: Area planted to fiber flax increased from 14,495 acres in 1941 to 16,630 in 1942, while acreage for seed declined from 8,400 to 8,155 acres, respectively.

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SOVIET UNION: Children under 2 years of age in Moscow, and apparently in other urban centers, are entitled to a ration of one-half liter of whole milk per day. Children between 2 and 4 are entitled to one-half liter of malted milk per day, and those between the ages of 4 and 6 are entitled to one-fourth liter of malted milk per day. Milk is not rationed to others, although at times it is obtainable in limited quantities in hospitals and in closed restaurants serving particular categories of officials and workers.

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GRAINS

CANADIAN FEED SUPPLIES ESTABLISH NEW RECORD . . .

Supplies of feed grains in Canada this year are about twice their average volume, and even with the substantially increased livestock numbers, the supply per animal unit greatly exceeds that of any year on record. With supplies at their high level, unless increased outside demand develops, there will be a large carry-over of these grains at the end of the crop year. Excluding feed wheat, which last year played an important part in the feed program, the supply this year is now estimated at about 21.3 million tons, or 1.11 tons per animal unit. The previous record was in 1923-24 when the supply was estimated at 14.0 million tons.

FEED GRAINS: Production, stocks, total supply, and supply per grain-consuming animal unit, 1920-21 to 1942-43

Crop year	Production a/	Total stocks b/	Total supply	Grain-consuming animal units	Supply per grain consuming animal unit
	1,000 tons	1,000 tons	1,000 tons	Thousands	Tons
1920-21	12,311	214	12,525	14,058	0.89
1921-22	10,479	819	11,298	14,687	.77
1922-23	12,320	352	12,672	14,930	.85
1923-24	13,458	499	13,957	15,273	.91
1924-25	10,845	969	11,814	16,012	.74
1925-26	10,582	700	11,282	15,433	.73
1926-27	10,556	1,000	11,556	15,492	.75
1927-28	11,549	541	12,090	15,581	.78
1928-29	12,736	628	13,364	15,528	.86
1929-30	8,893	1,150	10,043	15,647	.64
1930-31	12,546	1,173	13,719	15,415	.89
1931-32	8,594	2,189	10,783	16,435	.66
1932-33	10,100	832	10,932	16,702	.65
1933-34	7,994	1,150	9,144	15,877	.58
1934-35	8,419	906	9,325	15,850	.59
1935-36	10,334	671	11,005	15,558	.71
1936-37	7,637	1,010	8,647	16,117	.54
1937-38	7,906	426	8,332	15,895	.52
1938-39	10,382	514	10,896	15,202	.72
1939-40	10,861	1,192	12,053	16,119	.75
1940-41	10,729	1,125	11,854	17,676	.67
1941-42	9,754	1,004	10,758	17,581	.61
1942-43	c/20,455	804	21,259	19,233	1.11

From Dominion Bureau of Statistics, Ottawa.

a/ Including oats, barley, rye, corn, buckwheat, peas, mixed grains.
b/ Including oats, barley, and rye.
c/ Based on second estimate of production.

The barley supplies in western Canada are favorably located in relation to hog distribution. There will be, however, a substantial surplus over requirements for hog feeding. Shipments to the United States during August-October totaled 2.8 million bushels. Rail movement during that period was estimated to be about 2 million bushels, and a fair part of this was reported to be going to eastern Canada for feeding malting. Oats production this year is estimated at 693 million United States bushels. The amount that will be threshed for grain is, as usual, problematical, since it is the custom to feed much oats in the sheaf. Production in eastern Canada is so much larger this year that it is improbable that any significant quantity of oats from the western Provinces will be required. Last year 14 million bushels were shipped east.

The low marketing quota on wheat will freeze a large volume of the crop on the farms of western Canada this year. The total of wheat fed on western farms last season is estimated at 60 million bushels. In addition to that amount, about 10 million bushels of western-grown wheat were shipped to the East under the Freight Assistance Policy. The free-freight policy is to be continued this season, but, with the heavy supplies of other feeds available in all parts of the country, wheat feeding will probably not be practiced on the same scale this year unless unexpected outlets for other feed grains develop or the price of feed wheat becomes more favorable in relation to other feeds. The price margin between low-grade wheat and the higher grades had narrowed in mid-October at Winnipeg to 6-3/4, 8, and 10 cents, respectively for No. 5, No. 6, and Feed Wheat. This made the price on a per-pound basis slightly unfavorable compared with other feed grains. The relatively high price for feed wheats is attributed not to a scarcity of these grades but to their scarcity in terminal markets owing to the delivery of the better grades, and also some shipping preference given feed grains.

Feed grains, on the basis of inspections for the first 3 months of the crop season, are running about 45 percent in the higher grades, while feed and other lower grades account for the remainder. "Tough" gradings in oats for this sample ran about 10 percent, and barley and rye showed around 20 percent of tough grain. A large amount of damp grain resulted from the wet weather at harvesttime, and official action to facilitate the movement of this grain seems imminent. While no relaxation of the delivery quotas is expected, it is anticipated that the Wheat Board will provide for preferential shipping space for such grain.

Storage space continues at a premium. According to official estimates, available space in licensed storage for both wheat and coarse grains was, on October 15, only 163 million bushels. At that time only 10 percent of the wheat crop and small percentages of the feed grains had been marketed. Total commercial storage space in Canada on July 31 was estimated to be 600 million bushels. Present indications point to an increase in special annexes in western Canada, but a complete record of new storage will not be available until December.

CANADA: Commerical grain storage capacity by Provinces as of July 31, 1942

Province	Elevators and permanent annexes	Temporary annexes	Special annexes	Total capacity
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Western Division -				
Manitoba	31,973	16,622	3,180	51,775
Saskatchewan	117,909	55,314	1,996	175,219
Alberta	78,477	30,971	1,443	110,891
British Columbia	23,517	329	-	23,846
Western Ontario	94,557	53,263	-	147,820
Total	346,433	156,499	6,619	509,551
Eastern Division -				
Eastern Ontario	53,825	3,072	-	56,897
Quebec	24,912	3,000	-	27,912
New Brunswick	3,077	-	-	3,077
Nova Scotia	2,200	-	-	2,200
Total	84,014	6,072	-	90,086
Total Canada	430,447	162,571	6,619	599,637

From Dominion Bureau of Statistics, Ottawa.

In additon to the large supply of feed grains, hay and fodder production, now estimated at 26,888,000 tons, is the largest since 1927-28, and the production per hay-consuming animal unit, estimated at 2.48, is the largest since 1928-29. Supplies of mill feeds cannot be estimated, as the total outturn of these byproducts of the milling industry will depend largely on the amount of export demand for flour that develops during the year. Domestic consumption of mill feeds last season was 585,000 tons, and net exports were about 90,000 tons. If the supply of mill feeds this year should be reduced, it would probably not affect the feed situation significantly, but would tend to curtail the amount that could be exported. Plentiful supplies of domestic linseed and soybean meal are also available for feed this season.

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ECUADOR HARVESTS RECORD RICE CROP . . .

The 1942 rice harvest in Ecuador is now placed at 5,697,000 bushels, as compared with a record crop of 4,491,000 produced in 1941. Weather conditions were reported favorable during the past season, and the acreage was increased substantially owing to the good demand for Ecuadoran rice in foreign markets and the relatively high prices received. Rice in Ecuador is harvested in nearly every month of the year.

Last year it was reported that about 2 percent of the crop harvested during January-April, about 75 percent during May-August, and 23 percent from September to December.

Rice exports in 1942 are expected to be the largest on record, as on October 15 it was reported that shipments and sales to foreign countries for the year to date totaled approximately 85 million pounds. At mid-October it was stated that about 35 million pounds of rice remained unsold, which was still available for export. Export prices quoted at this date were $5.28 per hundred pounds for milled rice f.o.b. Guayaquil. Cuba, Venezuela, Panama, and Peru have been the heaviest buyers of Ecuadoran rice this year.

ECUADOR: Production, exports, and apparent utilization of rice, 1936-1942

Year	Production		Exports	Apparent domestic utilization
	Rough	Milled		
	1,000 bushels	1,000 pounds	1,000 pounds	1,000 pounds
1936	3,252	90,331	8,734	81,597
1937	3,017	83,792	2,718	81,074
1938	4,136	114,899	44,202	70,697
1939	3,319	92,183	21,268	70,915
1940	4,381	121,694	40,438	81,256
1941	4,491	124,756	45,276	79,480
1942	5,697	158,258	-	-

Compiled from official sources.

ECUADOR: Rice exports to specified countries, annual 1939-1941, January-September, 1941 and 1942 a/

Country	1939	1940	1941	January-September	
				1941	1942
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Panama	805	4,674	2,880	-	10,833
Colombia	6,813	10,150	126	-	0
Peru	10,697	13,473	2,485	-	56
Bolivia	603	857	8,133	-	1,386
Chile	106	30	1,977	-	1,004
Venezuela	2,218	8,426	19,210	-	8,092
Cuba	0	0	8,985	-	19,424
Others	26	2,828	1,480	-	729
Total	21,268	40,438	45,276	34,148	41,524

Official Customs Returns.
a/ Does not include a small amount of paddy and broken rice.

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COTTON - OTHER FIBERS

PERU'S COTTON SALES HIGH; EXPORTS REMAIN LOW . . .

Sales of cotton from the 1942-43 crop in Peru amounted to about 256,000 bales (of 478 pounds) as of November 6, 1942, representing about 83 percent of the estimated production of 308,000 bales. The Commodity Credit Corporation, operating under the provisions of an arrangement concluded on April 24, 1942, by American and Peruvian officials, had purchased through the end of October, 15,225 bales of Pima cotton at an average price of 116 soles per quintal of 46 kilograms (17.60 cents per pound). No Tanguis cotton was offered to the United States buying agents.

Favorable prices and sales of the bulk of the 1942 crop influenced some degree of optimism as to prospective disposal of the remainder of the new-crop cotton. Stocks of 1941 cotton had virtually disappeared by the end of October 1942. The slow export movement is attributed partly to a shortage of shipping space.

PERU: Exports of cotton by countries, 1939-1941, and January-October 1941-1942
(In bales of 500 pounds gross)

Destination	Year ended December 31			January-October	
	1939	1940	1941	1941	1942
	Bales	Bales	Bales	Bales	Bales
United Kingdom	164,332	102,559	28,259	17,141	31,761
Sweden	104	445	496	496	2,126
United States	3,023	6,707	26,327	25,565	15,376
Canada	a/	136	4,398	3,984	0
Japan	36,686	60,333	214,610	207,571	0
China	1,595	4,215	9,770	9,770	0
Chile	10,791	12,232	22,549	18,026	35,578
Colombia	a/	7,459	22,745	19,751	25,234
Bolivia	882	1,566	5,612	4,842	7,043
Venezuela	1,113	4,326	5,200	5,199	3,985
Ecuador	a/	0	913	913	1,807
Guatemala	178	438	2,260	2,190	1,032
Other countries	121,562	25,846	b/20,350	b/18,070	2,781
Total	340,266	226,262	363,489	333,518	126,724

Compiled from official and trade sources.
a/ If any, included in "Other countries". b/ Of this total 12,212 bales were reported burned on German ships scuttled in Callao bay.

Spot quotations for Tanguis cotton at Lima averaged 82.19 soles per quintal (12.47 cents per pound) in September compared with 87.28 soles (13.24 cents) in August, and 68.81 soles (10.44 cents) in September

1941. Pima prices averaged 113.98 soles (17.29 cents) in September, 129.04 soles (19.58 cents) in August, and 102.58 soles (15.56 cents) in September 1941.

The quality of the 1942 crop and the yield per acre, favored by good weather conditions, are reported to be among the best in recent years. Picking was practically completed by the end of September, and planting for next year's crop had already begun in southern Peru. The climate in Peru permits the planting and picking of cotton throughout most of the year, moving from south to north.

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COTTON MILL CONSUMPTION IN CANADA SLACKENS . . .

Consumption of cotton for all purposes in Canada was estimated at 38,000 bales (of 478 pounds net) in September compared with 43,000 in September 1941 and a January-July 1942 average of 42,500 bales. The high rate of consumption early this year was attained largely by increasing the average working hours per spindle to 2,226 for the 6 months, February-July 1942, compared with 2,034 and 1,348 hours for the corresponding periods in 1941 and 1939, respectively. The number of spindles in operation was increased from 1,052,528 at the end of July 1939 to 1,184,226 on July 31, 1942, but nearly 32,000 of the increase was accounted for by cotton spindles (58,462) now using rayon staple fiber. The production of a larger proportion of low-count yarns for heavy war materials also contributed to the larger consumption figures. Average monthly consumption during the year ending July 31, 1943, is not expected to exceed the current rate because of the growing shortage of labor, which has already caused discontinuation of night shifts in some mills.

Government orders, directly or indirectly, account for 70 to 80 percent of the current mill production of cotton goods. Civilian demand is being satisfied partly from wholesalers' and retailers' stocks of finished goods and, to some extent, by imports of cotton yarn and cloth from the United Kingdom and the United States. Under an agreement between the British Board of Trade and the Canadian Wartime Prices and Trade Board, British cotton yarns and cloth are allocated for export to Canada in about the same volume as in 1940.

Imports of raw cotton into Canada during September totaled 51,500 bales, including 47,100 from the United States, 1,200 from Brazil, 1,500 from India, and 1,400 from Peru. (See Foreign Crops and Markets, September 21, 1942, for annual import table.) Arrivals from the United States are composed almost entirely of cotton purchased before the United States export program was discontinued on July 22. The deadline for completion of deliveries has now been extended to December 31, 1942. Imports from Brazil have almost ceased for lack of shipping facilities.

Stocks of all cotton in Canada at the end of July 1942 were reported at 205,000 running bales, including 135,000 of American and 62,000 of Brazilian. Imports of 95,600 standard bales (80,800 from the United States) in August and September 1942 exceeded estimated consumption during those months by about 20,300 bales, thus increasing stocks by that amount. Lack of sufficient warehouse space has necessitated the storage of large quantities of cotton on vacant lots under tarpaulins. Stocks owned by some of the larger mills are sufficient for about one year's requirements, except for small quantities of special types.

Cottong buyers in Canada have been interested in recent months only in small quantities of exotic growths, available occasionally in American ports at low prices, and replacement of certain qualities of American cotton now scarce in some mill stocks. Small quantities of high-grade Mexican cotton were bought at prices from 1 to 1.5 cents per pound lower than those for comparable grades of American. Experiments proved unfavorable because of the mixture of henequen fiber used for cotton bagging, and no more cotton with this type of bagging will be accepted. Future sales in Canada were encouraged, however, if a suitable bale cover is adopted in Mexico.

Since many mills have large stocks of lowcost cotton on hand, while others are faced with the necessity of paying, in the near future, from 5 to 8 cents per pound more for American cotton than was paid under the United States export program, some form of cotton import subsidy is under consideration by the Canadian Government. Canadian buyers are awaiting results of these negotiations before renewing buying activity even for replacements.

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NORTHERN BRAZIL COTTON CROP
LOWEST SINCE 1932 . . .

The first official estimate placed the 1942 cotton crop in Northern Brazil at 390,400 bales (of 478 pounds), the lowest since 1932, compared with last year's small crop of 468,600 bales. Private sources now believe that the final estimate for the current crop will be between 275,000 and 300,000 bales. Severe drought conditions early in 1942, as in 1941, hindered planting operations and delayed sprouting of the seeds. Cotton production in Northern Brazil averaged 677,000 bales during the 5-year period, 1936-1940.

The current rate of mill consumption in Northern Brazil is around 140,000 bales annually. Shipments to mills in Southern Brazil usually total more than 200,000 bales. Stocks on hand early in 1942 were estimated at less than 150,000 bales and probably will be much lower by the end of the current season.

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T O B A C C O

DOMINICAN REPUBLIC TOBACCO PRODUCTION LOWER THAN EXPECTED; EXPORTS INCREASE . . .

About 7.5 million pounds of tobacco were harvested in the Dominican Republic in 1942, according to a report recently received in the Office of Foreign Agricultural Relations. The production is considerably below previous estimates of the 1942 crop, due principally to the fact that the acreage was below that originally expected. In 1941 about 6.6 million pounds of tobacco were harvested in the Dominican Republic, and the average annual production for the 5 years 1936-1940 amounted to 19.1 million pounds.

Prices paid for 1942 leaf averaged between 3.18 and 4.08 cents per pound, almost double the prices paid for the 1941 crop, and the increase gave farmers satisfactory incomes despite the decrease in production.

Tobacco exports from the Dominican Republic during the first 7 months of 1942 totaled approximately 7.2 million pounds, as compared with 5.7 million pounds during the same period of 1941. Following large July shipments, it was estimated that not more than 6.8 million pounds of both old- and new-crop leaf were available for export. Current exportable supplies are much lower, therefore, than the pre-war level. Exports of leaf tobacco in 1939 amounted to almost 19.2 million pounds, and the average exports for the 5-year period 1935-1939 were 13.7 million pounds.

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TOBACCO YIELD LOWER IN IRELAND . . .

The 1942 acreage of tobacco in Ireland despite efforts to increase production, totaled only about 251 acres as compared with 180 acres in 1941, which produced a crop of about 142,000 pounds. The principal factor limiting the 1942 acreage was a shortage of seedlings, according to information received in the Office of Foreign Agricultural Relations. Unfavorable weather conditions during the current season indicate that yields will be low, and production may not greatly exceed that of 1941.

It is expected that the continued scarcity of leaf tobacco imported from the United States will have the effect of assuring prices for the 1942 crop comparable with the high level in 1941. It is reported, however, that tobacco prices have not increased in proportion with those for competitive crops, and Irish farmers are not inclined to increase the tobacco acreage. Shortages and high prices of fertilizers, fuel, and building materials also discourage expansion of the tobacco acreage.

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L I V E S T O C K A N D A N I M A L P R O D U C T S

PARAGUAY FIXES CATTLE PRICES DESIGNED TO INCREASE MARKETINGS . . . .

A price-fixing decree recently issued by the Paraguayan Government is not only expected to provide more beef for local consumption without a rise in price but also to establish minimum prices for the sale of cattle to packing plants and maximum prices for the sale of meat for domestic consumption, and to furnish a balance of funds that may be diverted to payments of the British Sterling loan. A shortage of meat in Asuncion during the past 2 months is immediately responsible for the decree (Law No. 14856) which was promulgated October 1, 1942.

The decree provides that packing plants must pay a minimum over-price of 4.50 pesos per kilogram (0.6 cents per pound) on all animals purchased. Fifty percent, or 2.25 pesos (0.3 cents), is to be paid directly to the seller of the cattle, while the remainder is to be deposited in the Banco Agricola to be paid out as a subsidy on cattle sold to the municipal slaughter house. A Commission of Compensation has been set up to collect and distribute the subsidy payments as well as to maintain a record of sales and the destination of the cattle sold.

An earlier decree of January 1, 1942, required that the cattle owner place 60 percent of the annual marketable portion of his herd at the disposal of the Government for domestic needs. Cattlemen are opposed to both of these laws because they prefer to continue selling to packing plants at the present favorable prices. Since announcement of the fixed prices they will receive only 14.75 pesos per kilogram ($2.01 United States per 100 pounds) whether they sell for local consumption or to packers, whereas formerly they could obtain between 15.50 and 17.00 pesos ($2.11 and $2.31).

PARAGUAY: Fixed prices of cattle delivered for public consumption, 1942-43 a/

Description	Basic price b/	
	Per kilogram	Per 100 pounds
	Pesos	Dollars
Steers of 773 pounds or over	12.50	1.70
Steers of 772 pounds or under	10.50	1.43
Cows of 663 pounds or over	10.00	1.36
Cows of 662 pounds or under	12.00	1.63

Compiled from official sources.
a/ Includes industrial firms.
b/ Over-price not included.

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BRAZIL CONTINUES PROHIBITION
OF EXPORT SLAUGHTER . . .

Brazil issued a Ministerial Order No. 15, as of November 6, continuing the provisions of the law of August 13, 1942, which prohibited slaughter of cattle for export, in the interest of the domestic consumer.

The new Order is twofold: (1) prohibits the slaughter, refrigeration, and processing of beef by packers in the States of Sao Paulo and Rio de Janeiro for the purpose of export until the requirements of the domestic market are satisfied, (2) announces that quotas will be established for the slaughter of cattle for the 1943 export season, such quotas to be for the entire country. The earlier Decree-Law No. 4579 of August 13, 1942, prohibited such slaughter for a period of 60 days from September 1, 1942, but it was stated at that time that the export season was virtually closed before the decree became effective.

It is expected that this prohibition of slaughter for export in Sao Paulo and Rio de Janeiro will be removed when the new marketing season for fat cattle gets under way about January. By that time the local meat situation will have been eased with more slaughter cattle coming on the market, and, presumably, export quotas for 1943 will have been worked out.

Cattle owners and feeders are believed to be holding back cattle at present rather than to market at official current fixed prices. The export prohibition and price scale established for the new season beginning September 1942 is evidently aimed at encouraging cattle feeders to market sufficient cattle to supply the local market for fresh meat. The sliding scale of prices tapers off as the season advances. An extension of the slaughter prohibition into the fat-cattle season next year would cut sharply into cattle feeders' profits.

New wholesale and retail prices of meat were fixed by the Coordinator of Economic Mobilization on October 15 to go into effect in Rio de Janeiro and Sao Paulo for the following season.

BRAZIL: Fixed wholesale prices per 100 pounds of dressed beef for Rio de Janeiro and Sao Paulo, 1942-43

Year and Month	Price
	Dollars
1942 -	
September, October, November	5.98
December	5.67
1943 -	
January, February, March	5.44
April, May, June	5.28
July, August	5.44

Compiled from official sources.

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Daily slaughter quotas were also fixed for the different companies for a period of one year. The total for all the companies is 688,000 pounds.

BRAZIL: Daily meat production quotas for packing plants, 1942-43

Location and company	Daily quota
	Pounds
Freezing companies -	
Armour, Sao Paulo	66,138
Wilson, Sao Paulo	33,069
Cruzeiro	110,230
Anglo (Mendes)	154,322
Iguassu (Nilopolis)	110,230
Barbacena	52,910
Tres Coracoes	28,660
Slaughter houses -	
Penha (Federal District)	66,138
Santa Cruz (Federal District)	66,138
Total	687,835

Compiled from official sources.

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DECREASED PRODUCTION IN THE AUSTRALIAN DAIRYING INDUSTRY . . .

Statistics recently received by the Office of Foreign Agricultural Relations show the extent to which Australian production of dairy products declined in the past 2 years. Factory butter output in 1941-42 (July-June) was 360 million pounds (the lowest production recorded since 1937-38) compared with 414 million pounds in 1940-41 and 457 million pounds in 1939-40, a decrease of 13.1 percent and 21.1 percent, respectively. The greatest decline in production in 1941-42 occurred in Queensland and New South Wales, where output was 18.4 percent and 18 percent, respectively, less than in the previous year. Had it not been for improved seasonal conditions from March onward, output in 1941-42 would have been lower still. The changeover to cheese production was responsible for a small part of the decline in butter output, but manpower shortage in all states and unfavorable seasonal conditions in New South Wales and Queensland for the first 9 months of the year were the major factors. Production of factory cheese in 1941-42 was 66 million pounds compared with 60 million pounds in 1940-41 and 69 million pounds in 1939-40. The greatest increase in production of cheese in 1941-42 occurred in Queensland, where a rise of 39.3 percent over the previous year's output was recorded.

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Index

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